

## EUROPE'S WAR BONDS FASTENING CHAINS ON WORKERS FOR FUTURE

BY ROGER W. BABSON

For several months the papers have been filled with accounts of war loans, foreign exchange, treasury notes, etc. To the banker or millionaire the meaning of all these is clear, but do you know what they all mean?

And yet you should, because you and the rest of the folks who work for the world must ultimately pay the bills.

All real estate taxes, all personal property taxes and a good part of the income taxes collected in every country are passed on, from one class to another, until they are ultimately paid by the people who labor.

When the taxes on the house in which you live are increased your landlord adds it to your rent; when the taxes on mortgages are increased, the man of whom you are borrowing likewise increases your rate of interest; while the income taxes, which are paid by corporations and others engaged in active business, are simply added to the price of the groceries, clothing and other thing which you buy.

You ought to get busy and know what these financial terms mean and to have more to say about what is going on. Clip this article and send it to your friends on the other side in order that they also may see what is coming to them.

In the wars of the past men have been the principal item; but in the present war machinery is the most prominent item. The business of fighting during the past 50 years has gone through the same change as has the business of manufacturing steel rails, cotton cloth and shoes. Killing men by hand is now as much out of date as is the manufacture of rails, cloth and shoes by hand.

Killing is now by wholesale and this requires billions of money, the same as huge capital is needed for

the manufacture of steel rails, cotton cloth, shoes or any other big product. Moreover, governments must borrow money the same as do steel companies, cotton mills and shoe factories. This the governments have done by issuing bonds.

Up to the present time the allies have borrowed for the war over \$10,000,000,000. Germany over \$5,000,000,000, making a total of \$15,000,000,000. If you want to know what this means, look up the assessment of your city or its total indebtedness and see how it compares. The average city in this country has an assessed valuation of about \$1,000 per capita. That is, a city of 20,000 has an assessed valuation of about \$20,000,000; or a city of 100,000 people has an assessed valuation of about \$100,000,000.

The countries at war have thus borrowed for war purposes alone a sum equal to the sum of the assessed valuations of 50 of our large cities, having a combined population of nearly 15,000,000 people, or one-seventh of the country's entire population! Moreover, the war has lasted just one year. What do you know about that?

These bonds are just like the bonds any corporation would issue. They are just like a note that you would give a neighbor for a piece of land, or in payment of a bill. They should be paid, principal and interest. The interest alone on these bonds will amount to over \$200,000,000 a year.

Of course, that proportion of the money received from these bonds which is spent in the home country is not all wasted, but there is no getting back the money which is spent in the United States or other lands. For this reason Germany is in sounder financial condition today than any of the other belligerents. Her borrowing has all been among her own people.